

**Joint Informational Hearing
(Senate Budget Subcommittee #1 and Senate Education Committee)
on Student Academic Outreach
Wednesday, March 31, 2004**

The Commission was asked to address how its programs are affected by the Governor's budget proposals and how institutions are changing the way they view outreach programs and deliver those services. The atmosphere of the hearing was one of concerned cooperation and openness among the presenters from segmental leadership and other partners in education.

Speaking on behalf of the Commission, Executive Director Diana Fuentes-Michel first informed the Joint Committee of the Commission's outreach program goals:

- (1) To inform every eligible high school student of the Cal Grant Entitlement Program in order to increase the number of Cal Grant recipients; and,
- (2) To become a stronger partner with other outreach programs and activities in order to increase the number of California students who are prepared to meet both the academic and financial requirements necessary to enroll and succeed in postsecondary education.

She then discussed the Commission's upcoming outreach activities:

- The long-standing California Student Opportunity and Access Program (Cal-SOAP) that has supported the development and provision of financial aid awareness and academic support services by public and private postsecondary education institutions to high school students. The Governor's January Budget proposes \$8.7 million in Student Loan Operating Funds in support of this effort.
- The Commission's comprehensive outreach plan, the Cal Grant Entitlement Public Awareness Campaign, that funds financial aid awareness and related outreach activities through its loan-servicing auxiliary, EDFUND. The Commission and EDFUND's adopted new financial aid initiative that provides competitive grants to support partnerships with other higher education and K-12 outreach programs, a FAFSA in-class instruction, technology initiative that supports on-line resources for counselors, and academic preparation programs, students and their families as well as regional Fill-out-the-FAFSA activities that include CGS, "Cash for College" and the Adopt-a-School programs. The Commission has earmarked \$25 million in Student Loan Operating Funds to be allocated over a three-year period for this purpose.

In closing, Executive Director Michel commented on the Legislative Analyst Office's (LAO) recommendations regarding the shift of outreach funds to K-12 schools. These funds are part of the Commission's overall guaranty-agency responsibilities. Federal law states that while the Commission can designate a portion of the Student Loan Operating Funds for financial aid awareness and other outreach efforts, these activities must be in compliance with federal law. The Commission is opposed to moving programs or funding for these efforts to another state agency that is removed from the responsibility of overseeing its loan guaranty and servicing entity.

These activities are viewed in the larger context of financial aid awareness and the responsibility of the guaranty agency to inform students not only of the opportunity that financial aid programs provide, but also of their rights and responsibilities.